



# \*digitalvoice\*

March 11, 2003

For further information, please contact: Vonage at +1 (732) 528-2600 or publicrelations@vonage.com.



"2002 saw the introduction of reliable Internet telephony services as companies such as Vonage are providing an alternative to analog wired telephony over a broadband connection."

-FCC Chairman Powell\*

<b>★200</b>	The state of the s		×2002			Target Control of the	*2003
Q1 Compan Founded	Q3 Technical Testing Begins	Q4 Vonage Consumer Beta Begins Testing	Q1 Vonage DigitalVoice Released Into Production	Q2 Consumer Product Launches	Q3 Completed One Millionth Call on Vonage Network	Q4 Completed Five Millionth Call on Vonage Network	Q1 Completed Ten Millionth Call On Vonage Netork
			1	,	Raised \$16MM Local Number Portability		Launches \$10MM Marketing Campaign  Signed Distibution Agreement With Earthlink

\*FCC Chairman Powell in his remarks to the Senate Committee on Commerce, Science and Transportation, January 14, 2003



#### Service Offering

Premium Unlimited Residential Unlimited Local & Long Distance Calling throughout US and Canada Premium Unlimited Business
Unlimited Local & Long Distance
Calling throughout US and Canada

\$39.99

digitalvoice

\$69.99

Fax Service \$9.99/month 250 minutes of Fax Service 3.9¢ overage



FREE Fax Line 500 minutes of Fax Service 3.9¢ overage

Local Unlimited Residential Includes 500 Minutes of Domestic Long Distance and Calls Canada

\$25.99

Basic 1500 Minute Business 1500 Minutes of Local & Long Distance Calls to US and Canada

\$39.99



#### **Product Lines and Features**

#### **Standard PSTN Features**

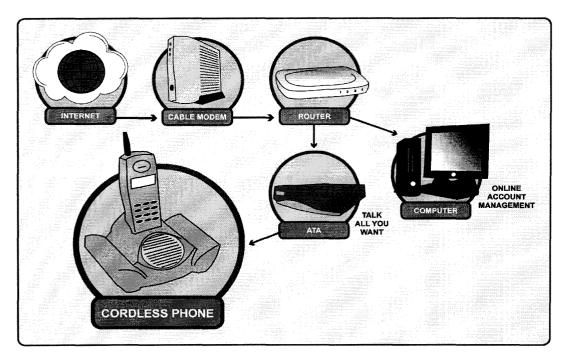
- Voicemail
- Caller ID
- Call Waiting
- Call Forwarding
- Call Transfer
- Repeat Dialing
- Call Return (\*69)
- Caller ID Block (\*67)
- Call Hunt
- Local Number Portability

#### Vonage DigitalVoice<sup>™</sup> Features

- Web Based Voicemail Retrieval
- Real-time Calling Activity
- Low International Rates
- Online Features Management
- Network Availability Number







Plug-n-Play Works With Any Touch-Tone Phone



#### Vonage POPs

By The End Of Q1

51 Markets In Service

162 Area Codes Available

1000 Rate Centers



#### Vonage plans to offer area codes in the following cities in Q2 '03

New Orleans, LA Louisville, KY Omaha, NE Norfolk, VA Grand Rapids, MI Spokane, WA Albuquerque-Santa Fe, NM Charlotte, NC Charleston, SC Raleigh-Durham, NC Birmingham, AL Oklahoma City, OK Kansas City, MO Milwaukee-Green Bay, WI Cincinnati, OH Indianapolis, IN Salt Lake City, UT Greenville, SC Jacksonville, FL Greensboro-Winston Salem, NC Coeur d'Alene, ID Vonage currently offers these area codes in the following states:

**NY** 212, 917, 646, 718, 516, 631, 914, 845, 518, 585, 716, 315

NJ 732, 201, 908, 973, 609, 856

CA 415, 408, 510, 650, 707, 831, 925, 858, 619, 310, 323, 213,

818, 714, 805, 661, 562, 626, 949, 909, 760, 916

TX 214, 254, 469, 713, 817, 903, 940, 979, 832, 936, 210, 512

FL 305, 561, 786, 954, 321, 727, 813, 863, 941

GA 404, 678, 706

IL 312, 773, 847, 630, 708, 815

MA 617, 781, 508, 978, 413

**DE** 302

IN 219

PA 215, 267, 484, 610, 412, 717

MD 443, 667, 410

MN 612, 763, 952, 651

CT 203, 860

WA 206, 253, 360, 425

VA 240, 301, 703

DC 202

MI 248, 313, 517, 586, 734, 810

OH 440, 216, 614, 380, 330, 234

NH 603

**RI** 401

CO 303,720

OR 503, 971

AZ 602, 480, 623

MO 314, 636, 557

**NV** 702

TN 931, 615, 901

MS 662

POP Last Updated: 02.24.03

#### Session Initiation Protocol

## **SIP** is a certified standard of the Internet Engineering Task Force (IETF) and considered to be the emerging standard for VoIP

	E SIP	H.323	MGCP/Megaco	
Complexity	Low	High	High	
Scalability	Good	Poor	Moderate	
Internet Fit	Yes	No	No	
SS7 Compatibility	Established	Emerging	Established	
Cost	Low	High	Moderate	



#### SIP Advantages

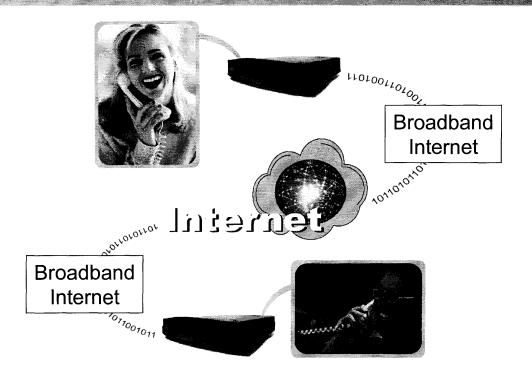
- Effective control of any media stream
- Lightweight, open protocol
- Highly scaleable
- Rapid development and deployment environment
- Seamless voice and data integration
- Efficient resource management

"SIP is to communications what HTTP was to the Internet"

- Forbes June 2001

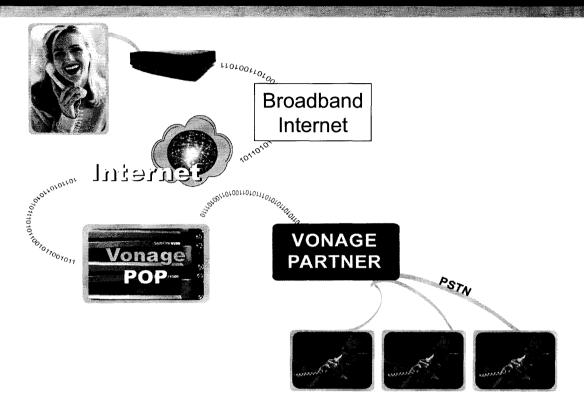


## Vonage to Vonage Call Flow



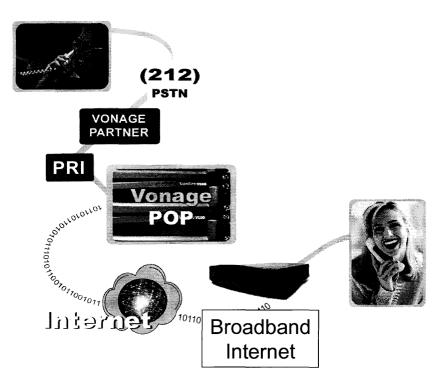


### Vonage to PSTN Call Flow





### PSTN to Vonage Call Flow





### Regulatory Issues

- Access charges
- Universal Service Fund
- Numbering
- E911





## digitalvoice



- Product Offering
- Marketing and Distribution
- Media Coverage



March 11, 2003
For further information, please contact:
Vonage at +1 (732) 528-2600 or publicrelations@vonage.com.



To source customers for Vonage efficiently while at the same time building brand image and awareness



#### Vonage Broadcast Media

#### Direct Response Television

- National Cable
- Spot TV in Seattle, Buffalo, Washington D.C., Houston
- Howard Stern and Sports Radio Nationwide



































#### Online Interactive Media

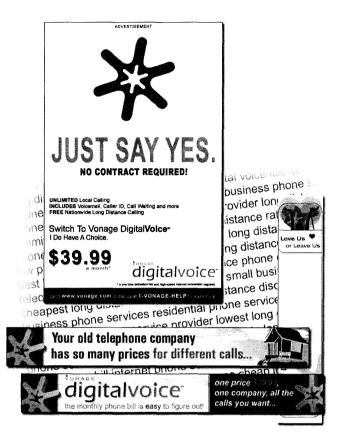
AOL YAHOO!

Google

overture o







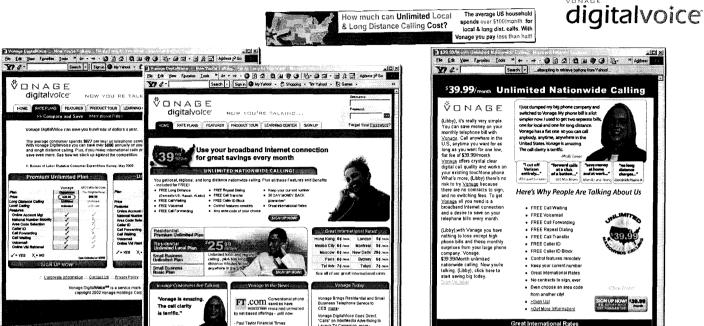


**♥**□NAGE

digitalvoice

HOW MUCH WAS YOUR PHONE BULL THIS MONTH?

#### Vonage DigitalVoice





Montreal 5¢ perminute

Sydney 6¢ per minute

New Delhi 29¢ perminute

Maxico City 6¢ perminute